

Testimony of Larry Ward, Executive Director,
Michigan Conservative Energy Forum

Before the Senate Energy and Technology Committee
Chairman, Senator Mike Nofs

March 25, 2014



SUBJECT: Michigan Conservative Energy Forum (MCEF) Testimony
in SUPPORT of Michigan RENEWABLE ENERGY

TESTIMONY:

Chairman Nofs, Committee Members, thank you for allowing the Michigan Conservative Energy Forum the opportunity to testify today in support of Renewable Energy. It is great to be back with you today talking about this very important topic.

As you know, my name is Larry Ward and I am the Executive Director of the Michigan Conservative Energy Forum. The last time I was with all of you, I talked about the importance of Energy Efficiency to an "All of the Above" energy approach and the fact that Energy Efficiency just makes sense. Today, I am excited to share with you the other piece to MCEFs "All of the Above" approach to energy policy: Renewable Energy.

I want to start today by addressing some common myths and misconception we hear on a regular basis regarding Renewable Energy. This puts me in the unique position of being a Conservative Republican defending Renewable Energy – which I know seems odd. However, as with Energy Efficiency, we believe that expanding our use of renewable energy just makes sense – but more on that in a little bit.

Since the Michigan Conservative Energy Forum's conception, I've heard several very misleading topics on RENEWABLES, so let me set the record straight:

- I. As Conservatives, whether we are looking at the State Budget, which you all are dealing with now, or the books of a Small Business, we know that cutting costs and keeping them low is of vital importance.

We've heard numerous times that it is impossible for unsubsidized renewable energy to compete against forms of traditional generation. The First Myth I want to address is the issue of the COST OF RENEWABLES , or as some have suggested that, "Renewable Energy is just too expensive".

FACT: According to the independent INVESTMENT firm (an organization that has no political agenda – only to correctly advise it's investors); the Investment Bank, LAZARD, (copy provided), showing wind generation cost continuing to decline.

Due to advances in technology and private-sector competition, the cost of renewable energy has declined dramatically over the past several years (Michigan Public Service Commission); And, according to the US Department of Energy, The cost of wind has declined 43% over the last four years, and the average price of a solar panels has dropped by 60% since 2011. A portfolio that includes more renewables to hedge against future unknown costs of NG, coal, and nuclear, makes a lot of sense as our older coal plants retire.

II. Next, I'd like to address the MYTH, that it is either impossible or impractical for Michigan to achieve 30% of its electric generation from renewable sources. This is categorically untrue

FACT: There are currently a number of states approaching 30% renewables, without losing reliability of increasing costs. Governor Snyder has been studying this issue for most of the past 2 years – Governor Snyder – a Republican, a business man, an accountant who knows numbers wants to make sure the technology actually exists, and that the economic numbers make sense. The Governor has looked at a goal of reaching 30% renewables in Michigan and the experts he has brought in from several different sectors have determined that this can be accomplished without loss of reliability and without significant costs. We agree that this is doable.

III. Finally, I want to address is the claimed that there is a lack of public support for an increase in Michigan's Renewable Energy Portfolio.

FACT: Last December, the Michigan Conservative Energy Forum conducted a survey in which was asked MICHIGAN VOTERS if they supported an increase in renewables. The results: 78% of MI voters SUPPPORT a goal of 30% renewables including 66% of Republicans. (POLL Memo included in packet)

I've addressed several Renewable Energy Myths. Now, here's the Ultimate Reality: A Diversified Energy Portfolio, which includes renewables working along side traditional generation, just makes sense. Decreasing our over-reliance on traditional forms of generation and expanding our energy portfolio to include more renewables is good for Michigan businesses and residents. This is why MCEF believes in a true "All of the Above" approach to energy policy.

Reshaping Michigan Energy Policy provides us the opportunity to transition away from our over-reliance on Coal and toward diversification of Michigan's Home Grown energy sources, including, but not limited to, Natural Gas, Landfill Methane, Bio-Mass/Bio -Digester, Hydro, Wind, Solar, and any other clean, renewable energy sources that new technology makes available to us. When we say "All of the Above," that is exactly what we mean.

As Conservatives, we believe we have an obligation to protect the public good and this means we must protect our National and Energy Security, Protect the Health of Michiganders, and allow citizens to create jobs to protect our economic future. An "All of the Above" Energy strategy does just that.

In summary, for the Michigan Conservative Energy Forum, "Renewable Energy" means more than just wind farms. It means the hydro-electric plants at 22 locations in Michigan. It means the bio-digesters in Freemont, McBain, and on any farm wanting one. It means solar panels utilized by private businesses and homeowners all over the state. It harnesses the creative potential for every Michigander to determine their own energy future.

The Michigan Conservative Energy Forum's ultimate goal is to set the record straight; and not let the MYTHS stand in the way of what just makes sense.

Chairman Nofs, I encourage you and your fellow committee members to continue in your quest for "SOLUTIONS" that make sense for Michigan's Energy future.

Thank you, and I'd be happy to take any questions at this time.